

Sierra Madre Announces Closing of Definitive Acquisition of La Guitarra

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VANCOUVER, March 30, 2023 - [Sierra Madre Gold and Silver Ltd.](#) (TSXV:SM) ("Sierra Madre" or the "Company") is pleased to announce that, pursuant to the share purchase agreement dated May 25, 2022, as amended and restated on October 28, 2022 (the "Share Purchase Agreement"), among the Company, First Majestic Silver Corp. ("First Majestic") and Corporacion First Majestic, S.A. de C.V. ("CFM"), the Company has completed its previously announced acquisition (the "Acquisition") of La Guitarra Compania Minera S.A. de C.V. ("Subco"), an indirect wholly-owned subsidiary of First Majestic incorporated under the laws of Mexico, that holds a 100% interest in the La Guitarra silver-gold property (the "La Guitarra Property"), as described in the Company's news releases dated May 25, 2022, November 1, 2022, December 28, 2022, and March 21, 2023 (collectively, the "Prior News Releases") and the Company's information circular dated November 8, 2022 (the "Circular").

The Company will continue to be classified as a Tier 2 Mining Issuer on the TSX Venture Exchange (the "TSXV"). The common shares of the Company (the "Common Shares") are expected to resume trading on the TSXV under the symbol "SM" following the closing of the Common Share Offering (defined below).

Escrow Restrictions

Under the terms of the Share Purchase Agreement, and as further described in the Circular, the Company acquired all of the issued and outstanding shares of Subco in exchange for the Company issuing to First Majestic 69,063,076 Common Shares (the "Consideration Shares") at a deemed price of \$0.65 per Consideration Share.

As described in the Circular, First Majestic may distribute all Consideration Shares in excess of a 19.9% ownership position of Sierra Madre (on a non-diluted basis) pro-rata to First Majestic's shareholders (the "Excess Shares"). Following the closing of the Acquisition, First Majestic has retained a participation right to maintain its pro-rata interest in the Company (to a maximum of 19.9%) in any future share issues of the Company, subject to customary exceptions. The Consideration Shares held by First Majestic are subject to the following contractual resale restrictions, in addition to applicable securities laws resale restrictions and TSXV policies:

Release Dates	Proportion of Total Escrowed Securities to be Released
September 29, 2023	25%
March 29, 2024	25%
September 29, 2024	25%
March 29, 2025	25%

The contractual resale restrictions above will not apply to the Excess Shares, which will remain subject to customary carve-outs in the event of a takeover bid or merger or acquisition transaction involving the Common Shares.

Concurrent Financing

On September 8, 2022, the Company completed the first tranche (the "First Tranche") of a "best efforts"

brokered private placement financing (the "Private Placement") pursuant to an agency agreement dated September 8, 2022 (the "Agency Agreement") with Beacon Securities Limited and Canaccord Genuity Corp. on behalf of a syndicate of agents including Haywood Securities Inc.

Pursuant to the Agency Agreement, the Private Placement is comprised of (i) subscription receipts of the Company (the "Subscription Receipts") at a price of \$0.65 per Subscription Receipt (the "Subscription Receipt Offering"), and (ii) Common Shares at a price per \$0.65 per Common Share (the "Common Share Offering"), for aggregate gross proceeds of up to \$10,000,250, as further described in the Company's news release dated September 8, 2022.

Under the First Tranche, the Company issued 9,504,647 Subscription Receipts at a price of \$0.65 per Subscription Receipt for aggregate gross proceeds of \$6,178,020.55. Each Subscription Receipt has, upon satisfaction of certain escrow release conditions, including the closing of the Acquisition, and without the payment of any additional consideration, automatically converted into one Common Share. The Company expects the Common Share Offering to close in early April, 2023.

Trading Halt

The Common Shares continue to be halted from trading, and the Common Shares are expected to resume trading following the closing of the Common Share Offering, or as otherwise determined by the TSXV.

About Sierra Madre

Sierra Madre Gold & Silver (TSX.V: SM) is a precious metals development and exploration company, focused on the restart of the La Guitarra Mine in the Temascaltepec mining district, Mexico, and the exploration and development of its Tepic and La Tigra properties in Nayarit, Mexico. The La Guitarra Mine is a permitted, past-producing underground mine which includes a 500 t/d processing facility that operated until mid-2018.

The +2,600 ha Tepic project hosts low-sulphidation epithermal gold and silver mineralization with an existing historic resource. La Tigra, located 148 km north of Tepic, has been mined historically; Sierra Madre's maiden 2022 drill program at the site intercepted shallow mineralization.

Sierra Madre's management has played key roles for managing exploration and development of more than 22Moz gold and 600Moz silver in combined reserves and resources. Sierra Madre's team of professionals has collectively raised over \$1B for mining companies.

On behalf of the board of directors of [Sierra Madre Gold and Silver Ltd.](#),

"Alexander Langer"
Alexander Langer

President, Chief Executive Officer and Director

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Cautionary Note

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation. The forward-looking statements herein are made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, the Company's expectations regarding the resumption of trading of the Common Shares on the TSXV and the closing of the Common Share Offering and the Private Placement.

In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including that the Company will be able to receive all required regulatory approvals for the resumption of trading of the Common Shares on the TSXV by the timelines currently anticipated (or at all) and that the Company will be able to complete the Private Placement on the terms of the Agency Agreement. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including, but not limited to, the risk that the Company is not able to complete Private Placement on the terms set out in the Agency Agreement (or at all) and the risk that the Company is unable to obtain requisite regulatory approvals for the resumption of trading of the Common Shares on the TSXV as currently anticipated.

Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

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